

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

March 9, 2005

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 9, 2005 beginning at 9:20 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

William R. Roberts, President
George B. Beardsley, First Vice President
Thomas A. Gougeon, Vice President

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
M. L. Bassett, Director of Public Affairs
B. D. Good, Director of Operations & Maintenance
J. L. Diebel, Director of Engineering
C. Elam-Floyd, Manager of Human Resources
S. Duncan, Intergovernmental Affairs Coordinator
G. T. Malmberg, Sales Administrator
K. Kempke, Manager of Treasury Operations
S. Renouf, Community Affairs Specialist
R. Riggs, *Acting* Manager of Information Technology
M. L. Walker, Attorney
L. Dirks, Water Resource Engineer
M. Medellin, Planner
J. E. Hagan, Purchasing Agent
B. Reum, Mgr Geospatial Information & Technology
D. L. Little, Manager of Water Resource Planning
D. H. Kennedy, Planner
T. M. LaPan, Conservation Specialist
V. Gaiter, Engineering Specialist

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M. D. Waage, Water Resource Engineer
J. E. Crockett, Manager of Risk & Benefit
G. Barela, Staff Analyst
H. C. Teigen, Chief of Distribution and Property Management
C. N. Piper, Water Resource Engineer
G. C. Fisher, Chief Planner
J. A. Sloan, Community Affairs Specialist
L. Firth, Manager of Community Relations
Chuck Dennis, Colorado State Forester
Carmine Iadarola, Aquasan
Brenda O'Brien, GreenCo
Jerry Peña, Montgomery Watson Harza
Dave Romero, Denver Parks and Recreation
Peter Loeffler, Douglas County Resident

Media

Jerd Smith, Rocky Mountain News
Kim McQuire, Denver Post

Commissioner Roberts called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Kirk and Maes were found to be absent for substantial cause and were excused.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of February 9, 2005 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of February 9, 2005 were approved.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of February 23, 2005 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of February 23, 2005 were approved.

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1. **ITEM VI-B-1: DISCUSSION AND INFORMATION: LEGISLATIVE MATTERS**

Ms. Duncan reported regarding current legislative matters, including House Bill 1177, providing for a round table process for water projects; House Bill 1296, providing for basin of origin protection; House Bill 1298, dealing with the formation of a Douglas-Arapahoe Water Conservation District; and Senate Bill 62, regarding recreational in-channel diversions. During the discussion, Mr. Pokorney reported regarding a meeting with the Denver City Council Intergovernmental Committee and the opposition of the City and Denver Water to HB1296. Ms. Duncan introduced Chris Piper, who is helping to address legislative issues during the current session.

PUBLIC COMMENT

In response to an invitation to address the Commissioners regarding matters which were not on the Board's Agenda, Peter Loeffler, a Douglas County Resident, addressed the Board regarding a proposed development affecting the High Line Canal.

Mr. Loeffler used a series of slides to acquaint the Commissioners with the proposed project, which includes construction of a retirement facility on the former Bowen Farm site, which straddles the High Line Canal in Douglas County. Mr. Loeffler explained that in order to interconnect the planned facilities, an enclosed private bridge was proposed to be constructed over the Board's High Line Canal property. The bridge would connect two buildings on either side of the canal. Mr. Loeffler opined the bridge would impact the canal property and the aesthetics of the area. In response to Mr. Loeffler's presentation, Ms. Barela indicated that Denver Water staff had discussed the proposed project with the proponents and with Mr. Loeffler. Ms. Barela indicated that Denver Water had not given its approval for the private bridge, but that the structure would impact Denver Water's air space above the canal. Ms. Barela was unclear whether a license would be required.

Commissioner Roberts discussed the impact on Denver Water property rights and expressed concern with the interference with the air space. Commissioner Beardsley asked whether a formal process was needed to address requests for use of Denver Water's property interests. Mr. Barry reported that Denver Water would

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not take any meaningful steps regarding the proposed project without Board involvement.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

2. **ITEM V-A-1: CHANGES TO CITIZENS ADVISORY COMMITTEE BYLAWS**

Approved modifications to the Bylaws of the Citizens' Advisory Committee, as are shown in redline fashion on the attachment to Agenda Item V-A-1 dated March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

3. **ITEM V-D-1: PURCHASE OF EQUIPMENT FOR GPS COORDINATE COLLECTION**

Approved the purchase of described Thales Navigation GPS system equipment from Survey Solutions, Inc. as more particularly described in the attachment to Agenda Item V-D-1 dated March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "B," plus cabling and supporting hardware for a total cost of \$122,732.

Ms. Reum described how the equipment will be used to improve the accuracy of as-built plans. Ms. Reum also described the cooperative efforts between Denver Water and the Department of Public Works to establish the GIS database.

4. **ITEM V-D-2: RENEWAL OF CONTRACT WITH COLORADO STATE FOREST SERVICE FOR FOREST AND LAND MANAGEMENT SERVICES**

Approved entering into an agreement with the Colorado State Forest Service to provide assistance with a vegetation management program in the Upper South Platte River watershed, as well as continuation of projects for forest thinning, weed management and other related projects, at a cost to the Board not to exceed \$100,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

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Chuck Dennis of the Colorado State Forest Service provided a short presentation describing the various cooperative projects undertaken between the Colorado State Forest Service and Denver Water since the 1980s. The earliest agreements involved Denver Water properties in Grand and Summit Counties and centered on timber management issues. Mountain Pine beetle treatments and mitigation started in that period and continue to the present. In the 1990s, the agreements included forest management plans in Park County, and tree inventories along the High Line Canal. The Colorado Forest Service is now implementing and developing vegetative recovery programs, restoration and management programs, both in the South Platte and the Upper Colorado River Basin. Mr. Dennis reported that he has been working with federal and state agencies to develop cooperative funding agreements and he expected to be able to match Denver Water's expenditure of \$100,000 with between \$600,000-\$800,000 from other sources.

The Commissioners thanked Mr. Dennis for his presentation and for the assistance of the Colorado State Forest Service in ongoing mutually beneficial projects.

5. **ITEM V-D-3: AMENDMENT TO CONTRACTS FOR PREPARATION OF PROJECT INFORMATION IN SUPPORT OF THE MOFFAT COLLECTION SYSTEM PROJECT EIS**

Approved amendments to the August 22, 2003 contracts with URS Corporation and MWH, Inc. for consulting work under Phase III of the Moffat Collection System Project EIS to develop screening criteria and conduct reconnaissance-level alternatives necessary for Phase IV of the study, at costs not to exceed \$300,000, for the contract with MWH, Inc. and \$440,000 for the contract with URS, all as more particularly described in the amendments, copies of which are attached to and incorporated in these Minutes as Exhibits "D" and "E."

Ms. Medellin explained that with the conclusion of Phase II of the five-phase project, the number of alternatives to be screened had been reduced from approximately 300 to 11. In Phase III, the consultants will conduct the necessary reconnaissance-level investigation and prepare for baseline field studies in order to screen the 11 alternatives down to between 3 and 6 alternatives. Ms. Medellin reported the cost of the two consultants was originally anticipated to be \$4.1 million, and that estimate has not changed.

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The preferred alternatives are expected to be determined in 2006, with design expected to begin in 2007. Commissioner Gougeon asked that the staff prepare information regarding the project for discussion at the next Study Session.

6. **ITEM V-D-4: IRRIGATION RENOVATIONS AT 6100 W QUINCY AVE.**

Authorized the award of a contract to Landtech Contractors, Inc. for the Marston Treatment Plant Landscape and Irrigation Renovation Project, at a cost not to exceed \$209,827.

Mr. LaPan provided a series of slides to acquaint the Commissioners with the Marston Treatment Plant landscaping project. Mr. LaPan reported the traditional bluegrass-based design would be replaced with a Xeriscape design, resulting in an overall change of water use from approximately 36 acre-feet of water per year to 15 acre-feet of water per year.

7. **ITEM V-D-5: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS**

Ratified construction contract change orders and amendments to contracts authorized by the Manager in January and February, 2005 as follows: Change Order No. 22 to the contract with Denny Construction, Inc. for the Moffat Collection System Headquarters; Change Order No. 1 to the contract with Arapahoe Utilities and Infrastructure, Inc. for the Conduit No. 18 relocation project; Change Order No. 1 to the contract with Glacier Construction Company, Inc. for the installation of a diesel fuel engine generator at the Green Mountain Pump Station; Change Order No. 3 to the contract with Lillard and Clark Construction Co., Inc. for the Marston Treatment Plant finished water pipe improvement project; Change Order No. 1 to the contract with T. Lowell Construction, Inc. for vault modification on Conduits 28, 61, 116 and 27; Change Order No. 2 to the contract with TC2, Inc. for the Roberts Tunnel East Portal Third Caretaker Residence; Change Order No. 1 to the contract Genesee Builders, for the Foothills Treatment Plant Sedimentation Basin Weir Replacement Project; Change Order No. 1 to the contract with Genesee Builders for the Foothills Treatment Plant flocculation/sedimentation building wall improvements; Amendment to the June 16, 2003 Contract with GEI Consultants, Inc. to conduct a study of the foundation alluvium at Dillon Dam; Amendment to the March 10, 2004 Contract with Carollo Engineers, P.C. for the study of feasibility and

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implementation of UV disinfection; Amendment to the August 11, 2004 Contract with Bill Cassel to provide a report on conditions of trees and shrubs at designated sites served with recycled water; Amendment to the March 1, 2003 Contract with Keesen Enterprises, Inc. to provide mowing services at described locations; and Amendment to the December 18, 2003 Agreement with American Equipment, Inc. to provide a traveling bridge crane at the Eleven-Mile Dam Outlet Works Valve House, all as more particularly described in Agenda Item V-D-5, dated March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

8. **ITEM V-D-6: AGREEMENT WITH THE CITY AND COUNTY OF DENVER REGARDING REIMBURSEMENT FOR CONSULTANT SERVICES**
Approved entering into an agreement with the City and County of Denver, Mayor's Office, regarding reimbursement for costs and expenses through December 31, 2005 for services provided by Andrew Wallach, at a cost to the Board not to exceed \$93,750, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."
9. **ITEM V-D-7: AWARD OF CONTRACT FOR LAWN MOWING**
Authorized award of a contract to A-1 Lawn and Landscaping to provide lawn mowing at described Denver Water facilities, for the period March 1, 2005 through February 28, 2006, at the prices described in the Tabulation of Bidders' Proposal No. 07992A, dated February 22, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "H," and a total contract amount not to exceed \$43,000, such award being based upon satisfactory performance of the contractor in the previous year.
10. **ITEM V-D-8: AWARD OF CONTRACT FOR STREET CLEANING**
Authorized award of a contract to Armstrong Sweeping, Inc. to provide street sweeping at \$80 per hour and street flushing at \$65 per hour, for the period April 1, 2005 through March 31, 2007, total contract amount not to exceed \$154,000, such award being based upon best price and compliance with specifications.
11. **ITEM V-D-9: AUTHORIZATION OF INCREASE FOR WASTE REMOVAL SERVICES**

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Authorized an additional expenditure of up to \$50,000 under the September 16, 2003 Contract with Waste Management of Colorado, Inc. to furnish waste removal services through September 30, 2005 for a total amended contract amount not to exceed \$140,000.

12. **ITEM V-D-10: RENTAL OF TRAILER FOR CIS PROJECT TEAM**

Authorized extension of the contract with American Portable Buildings Corp. to rent a double-wide trailer for the customer information system project team through March 2007, total amended contract not to exceed \$50,000.

13. **ITEM V-D-11: APPROVAL OF CARRIAGE AGREEMENT WITH THE FARMER'S RESERVOIR AND IRRIGATION COMPANY, THE BURLINGTON DITCH RESERVOIR AND LAND COMPANY, THE WELLINGTON RESERVOIR COMPANY AND THE HENRYLYN IRRIGATION DISTRICT**

Approved entering into a Carriage Agreement with the Farmers Reservoir and Irrigation Company, the Burlington Ditch Reservoir and Land Company, the Wellington Reservoir Company and the Henrylyn Irrigation District to divert and carry water in the Burlington Ditch to Denver Water's Miller Reservoir, also involving described water facility operations regarding FRICO's Wellington Reservoir and Duck Lake priorities, all as more particularly described in the Carriage Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

Mr. Dirks explained the downstream reservoir project, South Reservoir Complex is composed of Cat Lake and Miller Lake, which are immediately downstream of the Metro Waste Water Reclamation Plant Outfall. The plan is to fill the reservoirs from the Burlington Ditch at a rate of flow of up to 50 cfs. Under the terms of the Agreement, Denver's water will be carried on a space-available basis. Denver Water will pay the costs of construction of a new headgate to deliver the water to Denver Water's Miller Reservoir, presently estimated at approximately \$100,000. In exchange for the space-available Carriage Agreement, Denver Water has agreed to accept delayed deliveries of up to 200 acre-feet of replacement water from other sources of water owned by the companies upstream of Cheesman Reservoir caused by winter operations of FRICO's Wellington Reservoir and Duck Lake priorities.

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14. **ITEM V-D-12: AGREEMENT WITH MICROSOFT CORPORATION FOR PURCHASE OF BASIC DESKTOP SOFTWARE PRODUCTS AND ASSOCIATED MAINTENANCE AND SUPPORT SERVICES**

Approved a three-year enrollment contract with Microsoft Corporation to provide desktop software and product licenses, for the period March 1, 2005 through March 31, 2007, at a cost to the Board not to exceed \$521,970.

15. **ITEM V-D-13: ANNUAL CONTRACTS SCHEDULED TO RENEW IN THE SECOND QUARTER**

Approved renewal and extension of the following annual contracts: March 1, 2002 contract with ITRON, Inc. to provide meter reading hardware and software through March 31, 2006, at a cost of \$43,095; June 5, 2001 contract with Environmental Systems Research Institute to provide GIS software through April 1, 2006, at a cost of \$55,000; March 1, 2002 agreement with Metrocall to provide approximately 400 pagers and air time through April 1, 2006, at a cost of \$20,000; November 30, 2001 contract with COGNOS Corporation to provide data analysis and reporting software through January 30, 2006, at a cost of \$110,000; and March 8, 2001 contract with Universal IT Solutions, LLC, to provide anti-virus software through March 1, 2006, at a cost of \$36,000, all as more particularly described in Agenda Item V-D-13, dated March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

16. **ITEM V-E-1: HUMAN RESOURCE CHANGES**

Approved the human resource changes set forth in Agenda Item V-E-1 dated March 9, 2005, a copy of which is attached to and incorporated in these minutes as Exhibit "K," effective the pay period ending **March 11, 2005** unless otherwise noted.

17. **ITEM V-E-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **April 1, 2005**, unless otherwise noted:

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Employee Name	Employment Date	Retirement Plan Participation Date Unless otherwise noted^	Division/Section
Robert Fischer	09/07/2004	09/07/2004	Legal #050
Grace Wilcox	09/21/2004	09/21/2004	Finance #100
William Carlton	09/13/2004	09/13/2004	Warehouse #480
Mindy Downare	03/11/2004	03/11/2004	South Platte Area #530
Mary George	09/22/2004	09/22/2004	Recycled Water Plant #650
Pamela Headrick	09/16/2004	09/16/2004	Recycled Water Plant #650
Kevin Deschamp	06/14/2004	06/14/2004	T&D Construction & Maintenance #710
Felipe Garcia	09/15/2004	09/15/2004	T&D Construction & Maintenance #710
David Mitchell	09/13/2004	09/13/2004	Grounds Maintenance #890

18. **ITEM V-E-3: PROJECT EMPLOYEE CONTRACT**

The following Project Employee Contract was approved:

Employee Name, ID# Title, Salary, Std Hrs.	Estimated Completion Date	Estimated Annual Salary Cost	Division/Section, Project
Ralph Saint Romain IT Application Developer III \$4,657.00/Mo. – IT-06, Step 1 Full-Time Status, 40 Standard Hours	2 Years	\$55,884	Infor. Technology #160

19. **ITEM V-E-4: AGREEMENTS FOR FINANCIAL RETIREMENT COUNSELING**

Approved extension of the financial retirement counseling program with the following financial consultants through March 31, 2006, with an estimated annual cost of \$25,000: Equipoise Wealth Management; Sharkey, Howes & Javier, Inc.; and Fay, CPA, P.C.

Ms. Elam-Floyd explained the financial retirement counseling program had been initiated a year ago on a pilot basis. Denver Water employees who are within six months of retirement have taken advantage of the program which provides up to six hours of consulting time. The contract with Sharkey, Howes & Javier, Inc. may not be extended as there has been some discussion initiated by the contractor of not continuing the program.

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20. **ITEM VI-C-1: DISCUSSION AND INFORMATION:
DROUGHT/CONSERVATION -- SNOWPACK REPORT**

Mr. Waage provided the Water Supply Update dated March 9, 2005 to the Commissioners and the public, and a copy is attached to and incorporated in these Minutes as Exhibit "L." Mr. Waage explained that while snow fall in the southern part of the state has been above average, the snow fall in the northern portion of the state, including upstream of Denver Water's facilities, continues to be below normal. The snow pack in the South Platte Watershed above Denver's facilities is 72% of normal and in the Upper Colorado River Watershed above Denver's facilities is 74% of normal. Mr. Waage described the graph of cumulative precipitation in Metro Denver, and noted that the precipitation to date is below normal. Based upon the snow pack as of March 1, the anticipated reservoir contents under normal conditions as of August 1 are projected to be 92% of normal, but if dry conditions continue, July 1 reservoir contents are expected to be 74% of normal.

21. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE
INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of February 28, 2005" as set forth in Agenda Item VI-F-1 dated March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

22. **ITEM VI-F-2: DISCUSSION AND INFORMATION: MANAGER'S
OPERATION REPORT**

The Commissioner's received the Manager's Operation Report dated Wednesday, March 9, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "N," which consists of the following individual items:

1. Water Use and Supply Reports
2. Status of Contract Work
3. Status of Consultant Services

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23. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the report, "2005 Budget Status Summary for Period Ending February 28, 2005," a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

24. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Commissioners concurred that the next regular meeting would be a Study Session, which would take place on **Wednesday, March 23, 2005**, at **9:00 a.m.** in the Three Stone Buildings, 1600 W. 12th Avenue, Denver, Colorado. The agenda includes discussion of conservation public relations for the spring and summer; a review of the Ten-Year Capital Plan; a review of the North End Supply Project; and discussions regarding the Grand County/Summit County response to ongoing issues in those counties.

The first meeting in April will be **Wednesday, April 13, 2005**, at **9:15 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

No further business appearing, the Board adjourned into a Trustee Meeting at 11:00 a.m. Following the Trustee Meeting, the Board met in Executive Session. The Executive Session commenced at 11:50 a.m. and concluded at 12:08 p.m.

EXECUTIVE SESSION

On Wednesday, March 9, 2005, commencing approximately at 11:50 a.m. in the Manager's Office, located in the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Property Transactions § 24-6-402(4)(a)
2. Litigation § 24-6-402(4)(b)
3. Attorney-Client Matters § 24-6-402(4)(b)
4. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session

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concluded at approximately 12:08 p.m.

President

Secretary